

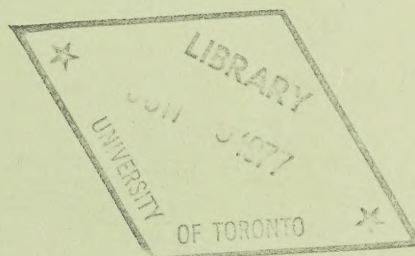
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AN EVALUATION OF THE ONTARIO HOME RENEWAL PROGRAM



Ontario

Ministry of
Housing

AN EVALUATION OF THE ONTARIO HOME RENEWAL PROGRAM

A report prepared for
community renewal branch
Ministry of Housing

by
Peter Barnard Associates
1976

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of Housing or by the Government of
Ontario.



Ontario

Ministry of
Housing

Hon. John Rhodes, *minister of housing*
Donald Crosbie, *deputy minister*

October 28, 1976

Ministry of Housing,
Queen's Park,
Toronto, Ontario.

Attention: Mr. J.F. Brown,
Director,
Community Renewal Branch

Dear Sirs,

We are pleased to submit our report outlining the findings of the evaluation of the OHRP program for this year. As you will recall this work constitutes part of Phase 2 of our contract. Phase 1 was concerned with developing and testing the basic methodology for the evaluation (as documented in our March 1976 report).^{*} The remainder of Phase 2 is to be devoted to next year's evaluation work.

Before presenting our report for this year, perhaps a brief review of our approach to the work would be in order. Our March report outlined the method in considerable detail. Basically it has been to:

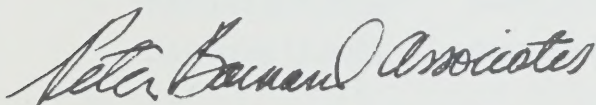
^{*} *NIP, RRAP, OHRP An Approach to Monitoring and Evaluation*
Peter Barnard Associates, March 1976

- Reach agreement on the program's objectives with representatives of the levels of government concerned and with their assistance, develop a list of concerns about the program. Information was then identified that would assist in determining whether the objectives were being met and whether or not the concerns were valid. In both cases, further information had to be sought in order to clarify possible recommendations on changes to the program.
- Collect the required information for the evaluation. This involved gathering basic statistical data on all municipalities participating in the program (roughly 400 municipalities); carrying out in-depth interviews of a range of staff, politicians and other informed persons in about 25 municipalities; and actually conducting questionnaire surveys of residents in 6 municipalities. The municipalities for interviews and surveys were chosen to provide a sample covering various size ranges and geographic areas of the Province.
- Prepare the evaluation employing the data collected and, from the conclusions and other analyses, prepare recommendations on proposed changes to the design of the program or its administration.


Next year's evaluation will be similar in method, however, different concerns may be examined and some changes in the municipalities surveyed may be required.

Our work over the past year has been an interesting and most challenging assignment. It would not have been possible without the great deal of co-operation from persons in the municipalities we studied, from staff representatives of the Housing Subcommittee of the Municipal Liaison Committee and from members of the Community Renewal Branch. The report contains some critical recommendations on the future of OHRP and some important areas for more detailed study next year. We trust that the effort and co-operation which has gone into this work will be rewarded by detailed consideration of its findings and recommendations at all levels of government.

Respectfully submitted,

A handwritten signature in cursive script that reads "Peter Barnard Associates". The signature is written in dark ink and is positioned above the printed name of the firm.

PETER BARNARD ASSOCIATES



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ACKNOWLEDGEMENTS

We would like to express our appreciation to the staff, elected representatives and other residents of the following municipalities for their willing co-operation during the course of this work:

Brockville	London(city)	St. Catharines
Cambridge(city)	Napanee	Strathroy
Cornwall(city)	Orillia(city)	Sudbury(region)
Gravenhurst	Ottawa	Thunder Bay
Hamilton(city)	Peterborough(city)	Tiny (township)
Kenora	Ridgetown	Toronto(city)
Kingston(city)	Sarnia(city)	Welland
Lindsay(town)	Sarnia(township)	Windsor

We would like to record that virtually every person interviewed expressed the desire to receive a copy of the report.

Also, the Advisory Committee of staff representatives of the Municipal Liaison Committee and CMHC established to assist in this study has been of great help to our study team. Committee members include:

Mr. George Cook	City of Toronto
Ms. Sheila Gordon	Municipal Liaison Committee
Mr. Ross Humphreys	Central Mortgage and Housing Corporation
Mr. Ray Jenkins	City of Sarnia

Mr. John Lang	City of Brockville
Mr. James Moorman	City of Ottawa
Mr. John Robinson	City of Hamilton
Mr. Dave Thompson	City of Thunder Bay
Mr. Gary Zatko	Central Mortgage and Housing Corporation

We also extend our appreciation to Matt Lawson, Eric Hardy and Leon Kumove for their useful advise, particularly during the design phase of this project, and to Pat Shanahan and Carol Lucas of Ruston/Shanahan Associates for their work over the past eight months on the resident survey.

Finally, we would like to thank the members of the Community Renewal Branch - including Harneik Grewal, George Przybylowski, Sylvia Davis, Mark Seasons, Dan Saunders, Henry Herrmann, and many others - who assisted us in many ways throughout our work. Without their assistance and counsel, this report would not have been possible.

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SUMMARY

OHRP was initiated by the Province in 1974 with the primary objectives of:

- stimulating rehabilitation of substandard housing where owners could not afford to do the improvements themselves
- preserving the Province's housing stock through adoption and implementation of maintenance and occupancy standards
- committing all funds allocated to the program, with an equitable portion going to smaller municipalities

By the late summer of 1976 about 400 municipalities were participating in the program. These 400 municipalities represent half of the Province's total number of municipalities and three-quarters of the Province's population.

CONCLUSIONS

1. OHRP has been highly successful in meeting its primary objectives and addressing a real need in the Province.

- Over 6,100 houses owned by persons averaging \$6,000 adjusted annual income (compared to the Provincial average income of \$14,000) have been rehabbed with OHRP funds with a further 18,000 houses in various stages beyond the preliminary application stage. Also, municipal staff and politicians surveyed agreed that the program is popular and that the funds are generally getting to the neediest group of homeowners.
- There has been some progress towards active preservation of the housing stock since all participating municipalities now have maintenance and occupancy* resolutions or bylaws, and new property standards officers have been hired and trained.

* Hereafter called M & O

- All funds budgeted for the program have been allocated each year with a steady growth in the number of municipalities participating since the start of OHRP. Furthermore, there has been a strong emphasis on smaller municipalities. For example, those under 10,000 population account for 19% of Ontario's population and have received 41% of OHRP funds to date. The participation by small municipalities throughout Ontario includes almost equal representation from all sizes. With respect to locale however, participation by Northern Ontario predominates. Thus, OHRP has met with broad and rapid acceptance despite the additional administration and staffing required by the municipalities, and despite the generally low-key municipal promotion of the program to homeowners. Clearly, the real need for this type of program has led to strong participation, but the principal reasons for its success are the favourable loan terms which reflect or are geared to homeowners ability to pay, the local administration of the program and the support and encouragement provided by the Ministry.

2. However, OHRP is not without its problems, most of which are caused by the nature of the funding or by some continuing resistance to the basic aims of the program.

- In almost two-thirds of the municipalities in the program, demand for loans exceeds available funds. This oversubscription is prevalent in municipalities of all sizes, but there are indications that those in the northern and eastern areas of the Province are the most oversubscribed. The resulting high demand for funds has meant that some municipalities wanting to enter OHRP have to wait until the following year's allotment of funds.
- In part because of this overall shortage of funds, housing requiring the most extensive repairs is (in some cases) excluded from the program and in others, required repairs are not being done. To stretch limited funds, some municipalities have lowered the maximum loan available to well below the \$7500 program guideline while others have lowered or eliminated the forgiveness portion of the loan and altered the interest rates. In a few municipalities surveyed, there was evidence to support the need for a higher than \$7500 loan limit in order to get needed repairs done.

- While there is some indication of long term commitment to M & O implementation, with only 15% of municipalities adopting an enforceable bylaw very few municipalities could actively pursue such a program and even fewer actually practice enforcement today. In particular, there appears to be a reluctance on the part of smaller centres to enter such a program.

In addition, concerns have been expressed about the per capita formula used to allocate funds. Because of discontinuities in the formula, those municipalities just under the 10,000 and 100,000 population levels receive a higher total allotment than those just over these population levels. Finally, there is some evidence from our survey of OHRP recipients to indicate that the terms of the loans or eligibility requirements may be overly generous.

RECOMMENDATIONS

1. OHRP should be renewed in 1977 for a term of three and preferably five years.

There is strong evidence of continuing need for the program. A substantial backlog of demand exists from municipalities already in the program, from those applying at a steady rate to get in, and from homeowners everywhere. The commitment for a three to five year term for the program is essential to continue encouraging municipalities towards bylaw enforcement. Serious consideration should be given to expanding the program to bring funding levels closer to overall requests from the municipalities.

2. The program should continue to be responsive to demand.

While ideally funds should be allocated according to need, there is no objective measure of relative need for OHRP across the Province. The current approach of requiring municipalities to apply for funds and basing allocations on a per capita formula has not introduced any major inequities to date and should be continued. However, discontinuities in the present per capita formula at 10,000 and 100,000 populations should be eliminated. If necessary to carry through on commitments already made, modestly increase sums allocated to small municipalities and set a target for the proportion of the budget to be allocated to smaller centres.

3. Over the short term give priority to municipalities not yet in the program, but later shift priority to municipalities willing to take steps towards M & O enforcement.

Although the bulk of Ontario's population is now covered by OHRP, there are still over 300 municipalities, mainly smaller ones, not yet included. Without increasing promotional efforts, new entrants should be given priority over existing participants. When the number of new entrants trails off (as is anticipated over the next 12-18 months) priorities should shift to municipalities demonstrating a commitment towards preservation of the housing stock through enforcement of M & O bylaws.

4. Take steps to encourage greater M & O implementation.

First, require all participating municipalities to have an M & O bylaw before their third allocation is made. Next, plan to require municipalities to submit their plans for a program of M & O implementation before being allocated funds. Start first in 1978 with the larger cities who are now closest to enforcement and later include the smaller centres. Consider setting aside a proportion of the OHRP budget to be applied for (as additional to their normal allocation) by municipalities actively implementing M & O programs.

5. Alter the program objectives to eliminate objectives no longer appropriate for the renewed program, to set priorities among the objectives, to add new objectives considered appropriate and to quantify others.

6. Do not change the basic parameters of the program's design.

- Repayment terms. There is no evidence of loan repayment terms causing hardship on recipients when their terms are as stated in Provincial guidelines.
- Allowable work. The existing guidelines should be preserved. Municipalities should be encouraged to allow all work presently allowed and not impose restrictive practices nor undertake more cosmetic improvements.

There are, however, two adjustments which should be considered:

- Eligibility. There is ample evidence that there is still a large unsatisfied demand by households earning less than the current \$12,500 limit. With the unlikelihood of a major increase in the total OHRP budget, funds should continue to go to the lower income groups. However, consideration should be given to tightening the eligibility requirements to eliminate households capable of rehabilitating privately.
- Loan ceiling. The current loan ceiling of \$7500 is sufficient in most municipalities although to handle special circumstances, provision should be made for municipalities to apply for a \$10,000 ceiling upon demonstration of need.

7. Prevent municipalities from making major alterations to provincial guidelines on loans.

Steps should be taken to stop municipalities from spreading their funds too thinly by establishing loan ceilings well below \$7500. They should also be deterred from severely restricting access to the program by the lowest income groups through eliminating the forgiveness portion of the loan or by making major alterations to interest rates.

8. Continue the current approach to administering the program, but undertake some new activities to meet revised objectives and changing priorities.

These new activities should include increased efforts to determine comparative need for the program across the Province, acquiring more information on the types of households receiving OHRP, providing technical assistance to municipalities to revise inappropriate bylaws, co-ordinating with other related programs and sponsoring property standards associations and workshops.

1. OHRP: ONTARIO HOME RENEWAL PROGRAM

OHRP is a provincially sponsored housing program designed to assist owner-occupants with funds to rehabilitate their substandard dwellings to meet the minimum standards established by a municipality.

In 1974 OHRP was legislated into existence and became operative in September of the same year. The program has a total of eight objectives (Exhibit 1) of which three can be considered prime objectives:

- stimulate rehabilitation of substandard housing where owners could not rehab privately
- preserve existing housing stock through adoption and implementation of maintenance and occupancy standards
- commit all funds allocated to the program, with an equitable portion going to smaller municipalities under 10,000 people

There are now approximately 400 municipalities (50% of the total) in the program and over 6,000 residential units have been funded for rehabilitation. Program budgets have ranged between \$10 and \$15 million during the first three years.

OHRP HAS EIGHT OBJECTIVES

1. To provide financial assistance for rehabilitation of substandard housing owned (and occupied) by persons who could not have rehabilitated their units privately. For low and moderate income persons throughout a municipality.
2. To cause municipalities to actively pursue preservation of the housing stock through the adoption and implementation of maintenance and occupancy standards.
3. To commit all funds allocated to the program each year and to ensure that smaller municipalities receive an equitable portion of annual allocations.
4. To provide sufficient funding to improve individual housing units at least up to the minimum standard in model guidelines developed.
5. To ensure that the financial assistance provided does not cause increases in personal debt which would constitute a hardship for owner-occupants.
6. To increase the number of houses rehabilitated in NIP areas beyond those funded by RRAP alone.
7. To administer the program without need to increase the provincial staff from the number contemplated at the time when the program became operative.
8. To deliver the program in such a way that the homeowner is aware that the program is provincially funded.

The purpose of this report is to review our evaluation of how well these objectives have been met over the past three years and to present our recommendations for the future of the program. To do this we have organized the OHRP evaluation into the following three sections:

- A. Overall Conclusions
- B. OHRP Problems and Their Causes
- C. Recommendations

The data used for the evaluation came from a number of sources. In-depth interviews with officials from 21 OHRP municipalities and resident surveys conducted in 6 OHRP cities provided much of the basis for our findings (Exhibit 2). In addition, the Community Renewal Branch, Ministry of Housing provided records submitted by all OHRP municipalities as well as information based on their own statistical analyses.

A. OVERALL CONCLUSIONS

From our review of OHRP it is clear that the program has been highly successful in meeting its primary objectives and addressing a real need.

OHRP HIGHLY SUCCESSFUL IN MEETING PRIME OBJECTIVES

Since OHRP began in September 1974, it has been successful in achieving all three of its prime objectives.¹

1. Stimulated rehab of substandard houses whose owners could not have rehabbed privately. As of June 1976, over 6,100 dwelling units had received OHRP funds for rehabilitation and an estimated additional 18,000 units

1. *A full analysis of the program's success in meeting each objective can be found in Appendix A.*

IN-DEPTH INTERVIEWS CARRIED OUT IN 21 OHRP MUNICIPALITIES

<u>Municipality</u>	<u>POPULATION</u>			<u>LOCATION</u>			
	<u>Under 10,000</u>	<u>10,000- 100,000</u>	<u>Over 100,000</u>	<u>North</u>	<u>East</u>	<u>Central</u>	<u>Southwest</u>
Cambridge		•				•	
Cornwall*		•			•		
Gravenhurst	•					•	
Hamilton			•			•	
Kenora*		•		•			
Kingston		•			•		
Lindsay		•				•	
London			•				•
Napanee	•				•		
Orillia	•					•	
Ottawa			•		•		
Peterborough		•				•	
Sarnia*		•					•
St. Catharines			•			•	
Strathroy	•						•
Sudbury*		•		•			
Thunder Bay		•		•			
Tiny Township		•				•	
Toronto*			•			•	
Welland		•				•	
Windsor*			•				•

* Resident survey also conducted

are now beyond the preliminary application stage in the municipalities.¹ A profile of the average OHRP recipient gathered from our resident surveys shows that a high proportion (54%) are over 55 years old, that half are one or two person households and a high proportion (82%) are long term residents (over 5 years) in their neighbourhood.² From calculations based on our municipal interviews the average (adjusted) income of recipients is about \$6,400, less than half the provincial average of \$14,000.³ Furthermore, about 70% of the OHRP recipients surveyed reported that they could not have rehabilitated their houses without government support.

Thus, there is ample evidence that OHRP is getting to low income homeowners who could not have done the repairs privately. The program is particularly benefiting small older person households. Generally, it was agreed by both municipal staff and politicians that OHRP has been a successful program and that recipients were the neediest group in terms of having the lowest incomes and houses in greatest need of repair. Almost all municipalities reported a fast take-up of OHRP funds, particularly after residents understood the program and saw some visible results.

1. CRB staff estimate from municipalities' reports

2. For complete survey results see Appendix C.

3. Estimate determined using CRB 10b OHRP forms, Statistics Canada data on household incomes and PBA interviews in 21 municipalities.

MOST MUNICIPALITIES ARE COMMITTED TO LONG TERM M & O ENFORCEMENT
ALTHOUGH NOW DONE ONLY ON A REQUEST/COMPLAINT BASIS

OHRP MUNICIPALITY INTERVIEWED	RESOLUTIONS/ BYLAW & MODEL GUIDELINES		CURRENT EXTENT OF IMPLIMENTATION		# INSPECTORS HIRED FOR PROGRAMS (1)		COMMITMENT TO LONG TERM (1) ENFORCEMENT
	ABOVE	BELOW	NONE	COMPLAINT/ REQUEST	ROUTINE	BEFORE AFTER	
Cambridge	•			•		0	1
Cornwall	•			•		0	2
Gravenhurst	•		•			0 before NIP	1 part- time
Hamilton	•			•		3	5
Kenora	•			•		1	1
Kingston	•			•		3	4
Lindsay	•			•		1	1
London	•			•		0	3+2 to be hired
Napanee	•			•		0	1
Orillia	Unapproved		•		Some	-	-
Ottawa	•			•		7	14
Peterborough	•			•		7	7
Sarnia	•			•		0	2
St. Catharines	•			•		0	3
Strathroy	•			•		0	1
Sudbury	•			•		0	1
Thunder Bay	•			•		0	2
Tiny Twp.	•			•		2	2
Toronto	Using Guidelines			•		70	70
Unorganized Territories	Using Guidelines		•	•		Using Dept. of Health	Weak
Welland	•		•		•	0	1
Windsor	•					2	4

(1) Information obtained from interviews with municipal officials

2. Progress in encouraging preservation of housing stock through adoption of M & O standards. Before OHRP started, it was common to find only large municipalities with a maintenance and occupancy bylaw regulating housing. Now all municipalities participating in the program have adopted standards by bylaws or resolutions which exceed the model guidelines set out by the Province. OHRP has also encouraged municipalities to hire and train new or additional property standards officers. However, most municipalities do not yet actively implement M & O bylaws, although there is some routine enforcement in some larger municipalities. Exhibit 3 outlines the extent of implementation in the OHRP municipalities interviewed. Municipal officials are still introducing the whole concept of maintenance and occupancy bylaws to residents and, in general, plan to increase efforts in the long term, although the level of commitment to long term enforcement varies somewhat (Exhibit 3).
3. All funds budgeted for program have been committed each year, with a strong emphasis on smaller municipalities. All funds allocated to the OHRP program during the first two fiscal years were completely committed and it is expected that the third year allocation will also be entirely used. Over 66% of the budgeted funds for 1976-77 were forwarded to municipalities during the first half of the fiscal year. In turn, according to statistics from municipalities, 58% of OHRP funds are in the form of forgivable loans, with the result that less than half are going to the building of revolving funds. Thus, in general, revolving funds will be slow

to build up and, considering the long repayment period for loans, these funds will be slow in recirculating back into new loans in the future. While large municipalities receive bigger allocations, the current funding formula tends to favour small municipalities on the basis of per capita allocations. For example, municipalities with 500 people receive more than 25 times the \$/capita given to municipalities of 100,000 people or more:

<u>Size of Municipality</u>	<u>Per Capita Allocation</u>
500	\$58
1,000	29
5,000	9
10,000	3
25,000	3
100,000+	2

Proportionately, small municipalities have also received a high allocation of the total OHRP funds. From 1974-76 municipalities of 10,000 people or less received 41% of the OHRP funds¹ although they only represented 19% of the population of the Province.² On the other hand, municipalities larger than 10,000 people received 59% of the funds while representing 81% of Ontario's population. Unorganized municipalities have been allocated an even higher proportionate funding: they have received 5% of the total OHRP funds to date while accounting for less than 1% of the Province's population.³

1. CRB "OHRP Summaries" from 10a forms for 1974/75, 1975/76, excluding unorganized territories

2. 1976 Municipal Directory

3. CRB OHRP April Summary, Statistics Canada for population statistics

MOST SECONDARY OBJECTIVES
ALSO BEING MET

Most of the other OHRP objectives have also been met and were considered appropriate for the program.

1. Debt not causing personal hardships. Municipal officials reported that loan recipients are not experiencing significant increases in personal debt due to the OHRP program. Only 3 of the 21 OHRP municipalities visited reported arrears in a small number of loan repayments and there was a general feeling that the increase in individual GDS ratios caused by the OHRP loans was minimal.
2. \$7,500 loan limit generally sufficient to bring units up to minimum standards. Inspectors indicated that with few exceptions, the \$7,500 loan ceiling was sufficient to bring substandard units up to the minimum standards. However, regional differences in housing quality and construction costs revealed that some municipalities could do more repairs within the loan ceiling than others. It was found that northern communities often had poor quality housing and higher costs than areas in central and southwestern Ontario. The loan limit was mainly inadequate in those municipalities which had lowered the effective loan ceiling from \$7,500. Five of the twenty-one municipalities interviewed lowered the ceiling in attempts to spread OHRP funds to more residents. However, in some instances this meant that substandard houses needing \$7,500 to bring them up to standard were not rehabilitated.

3. Program has been administered without increase in provincial staff. When OHRP became operative, the Community Renewal Branch had a staff of 21 with 2 vacancies. From the fall of 1974 to present the staff has remained constant at 22 persons and is expected to remain at the same level for the 1976-77 fiscal year.

PROGRAM HAS MET WITH BROAD AND RAPID ACCEPTANCE

Municipalities have been entering OHRP at an increasing rate since the fall of 1974 and trends suggest that municipal participation will continue to increase.

OHRP Now Covers Bulk of the Provincial Population

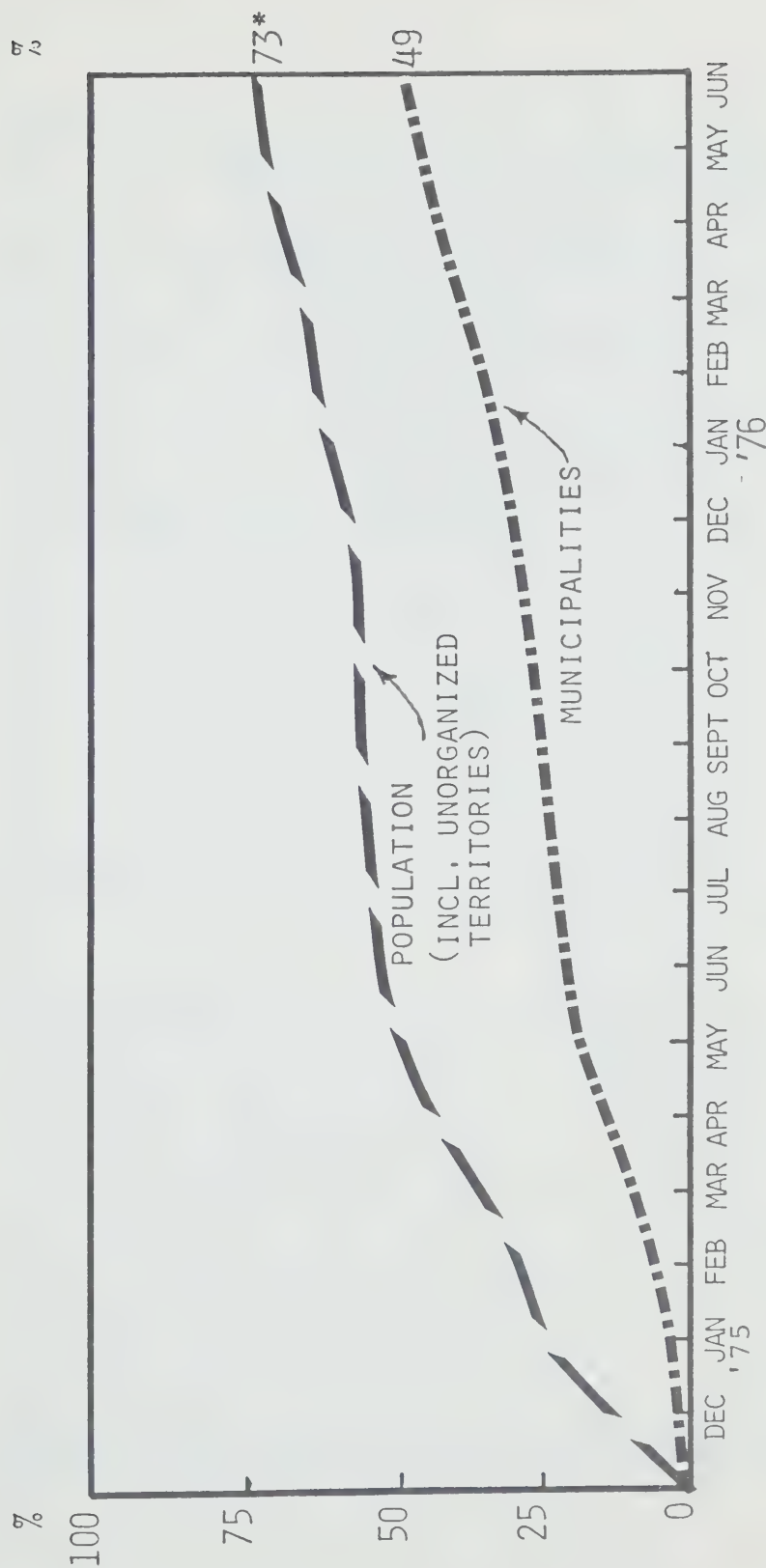
Within 2 years almost 400 municipalities, accounting for almost 75% of the provincial population have entered the program. Participation by 15 of the 16 cities over 100,000 population accounts for 60% of the population covered by OHRP while approximately 80% of the municipalities in OHRP are small (populations less than 10,000 people). Exhibit 4 shows the strong rate of entry into OHRP both by municipality as well as by population.

Strong Interest by Smaller Municipalities

In addition to the large municipalities, OHRP has attracted a high proportion of centres in the smaller population ranges.

- Good participation by smaller centres, particularly in the north. An analysis of the population of municipalities in various size ranges now in OHRP compared to the total number of such centres in the Province shows

WITHIN 2 YEARS ALMOST 400 MUNICIPALITIES, ACCOUNTING FOR BULK OF PROVINCIAL
POPULATION, NOW IN PROGRAM



* Source: 1976 Municipal Directory
CRB records & Statistics Canada 1971

a fairly even distribution of smaller centres and the highest participation rate amongst northern communities. Conversely, participation by eastern municipalities (where need is generally believed to be high) is the lowest of the four geographic areas of the Province.

Of Total Number of Municipalities
% Now in OHRP (June 1976)

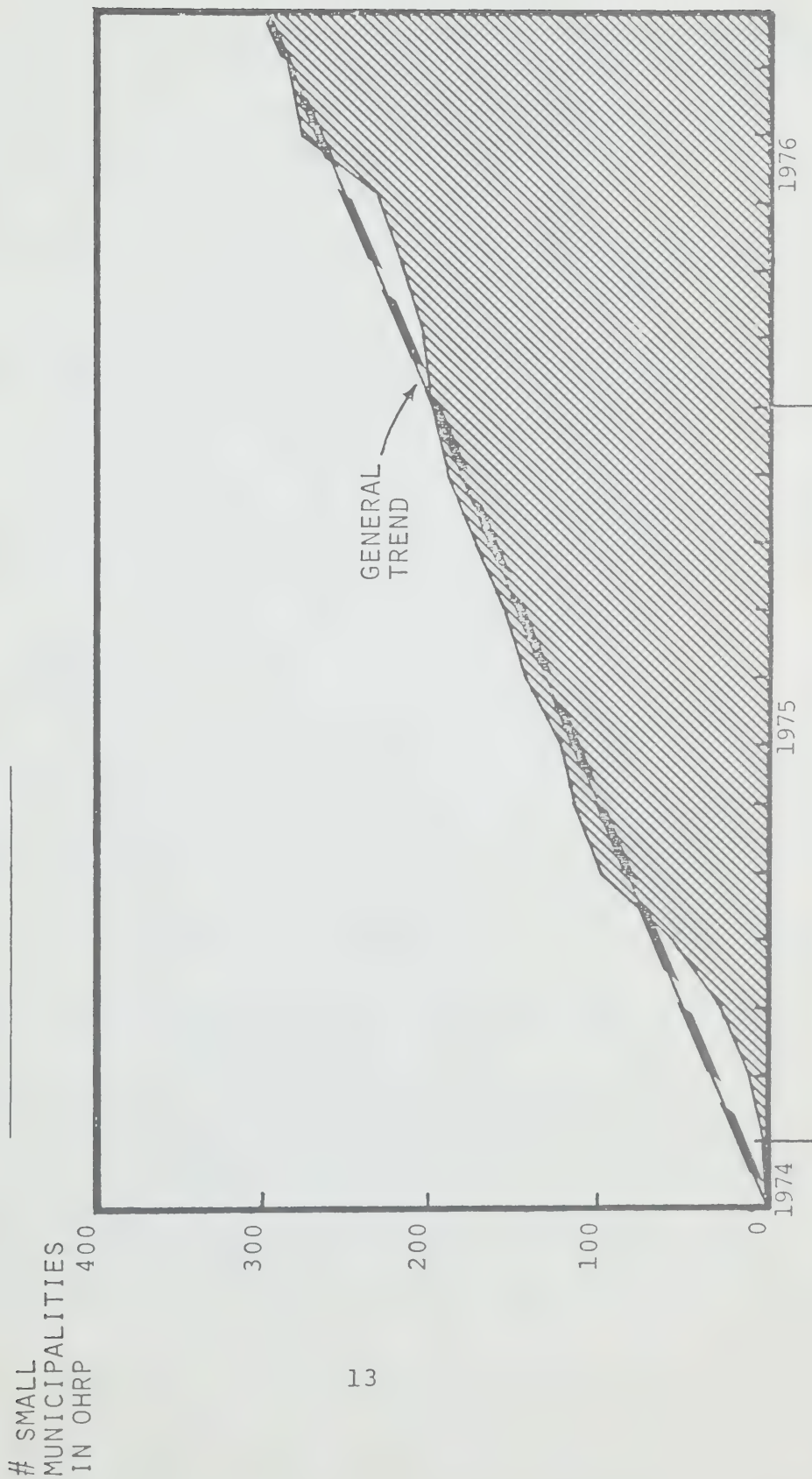
Size		Location	
<500	- 52%	North	- 68%
500-1,000	- 47	Central	- 54
1,000-2,000	- 39	East	- 32
2,000-5,000	- 46	Southwest	- 45
5,000-10,000	- 54		
10,000-100,000	- 68		
100,000+	- 94		

*Source: CRB prepared summaries of OHRP loan forms
and 1976 Municipal Directory population
and boundaries*

- Steady growth in the number of small municipalities entering OHRP. In contrast to the normal belief that smaller centres lag their larger counterparts in taking advantage of provincial programs, OHRP has seen a steady rate of application by small centres (under 10,000 population) since the start of the program (Exhibit 5). This steady growth attests to OHRP's popularity amongst this type of community. The growth rate is expected to continue during the 1976/77 fiscal year, and if sustained thereafter, should see the bulk of municipalities in the program within the next 12 to 18 months.

STEADY GROWTH IN NUMBER OF SMALLER MUNICIPALITIES (UNDER 10,000)

SINCE START OF PROGRAM



Source: CRB records

Sustained Participation by Municipalities

During OHRP's first year over 130 municipalities entered the program. There were no dropouts and 73% of the 1974/75 municipalities reapplied for the second year of funding. While some municipalities reapplied to ensure that they would receive their entire first allocation, many others wanted new funding to continue the program.

Acceptance Despite the Implications of Participation

Thirteen of the 21 OHRP municipalities interviewed had to adopt M&O standards before entering the program and although there was often local resistance, all municipalities now have standards adopted by bylaw or resolution. Property standards officers have also been hired and trained due to OHRP participation and there has been good attendance at PSO conferences by this group. Finally, there has been broad acceptance of OHRP despite the administrative load of the program. Municipal officials find that local administration of OHRP tends to make it sensitive to particular needs as well as providing for a speedy efficient approval process. Thus, in spite of the considerable administrative burden, municipalities of all sizes have accepted the program and new (particularly smaller) communities are continuing to apply for entry.

Quick Take-up by Homeowners Despite Low Key Promotion

The success of OHRP can be partly measured by the fact that funds have been used up before the year end in many municipalities and as the program becomes better known, this trend seems to be increasing. For example, in 1974/75, 45% of all participating municipalities used up their funds before the year end. In 1975/76 the figure rose to 66%. The program is popular with homeowners and a very high proportion

(90%) of OHRP recipients surveyed said they were satisfied with the work done. The major dissatisfaction experienced by the remaining 10% had to do with the program not allowing them to undertake cosmetic rather than fundamental repairs to their home. This strong endorsement is a tribute to the local delivery of the program, particularly the work of the property standard officers who are on the delivery end of the program.

Homeowners have become aware of the program even though municipal promotion has been very low key. For example, only 4 of the 21 OHRP municipalities interviewed actively promoted OHRP to local groups through meetings, door to door distribution of pamphlets, radio and newspaper advertisements, etc. Most municipalities merely relied on small newspaper articles and word of mouth publicity. This low level of promotion activity is understandable given the generally high oversubscription even without extensive promotion.

OVERALL SUCCESS DUE TO REAL NEED FOR OHRP

The overall success of OHRP to date can be attributed to the fact that generally, there is a real need for this type of housing program in Ontario. The design of the program and staff support are attractive to municipalities and the low interest rates and forgivable loan portion provide good access to low income households. Also, local administration of the program encourages sensitivity to particular needs while at the same time providing local political visibility. On the other hand, municipal administration of OHRP does not appear to be a major deterrent and the revolving fund provides incentive for municipal participation. Finally, municipalities also receive good support and assistance from the Community Renewal Branch thereby encouraging participation.

B. PROBLEMS AND THEIR CAUSES

While OHRP has been highly successful in meeting its objectives and achieving broad and rapid acceptance, the program is not without its problems.

FOUR MAIN PROBLEMS IN THE PROGRAM

The primary cause of problems lies with the funding of OHRP followed to a lesser extent by some general resistance by some municipalities to the basic aims of the program.

1. Overall funding is insufficient to satisfy the demand.

- Insufficient total funding to match municipalities' requests. During the first 2 years OHRP actually forwarded over \$1 million more money to municipalities than was originally available in the program budgets (OHRP received funds from other provincial programs to do this). Also, ministerial approvals in principal exceeded budgets by 17% in 1974 and 32% in 1975. Current expenditures suggest that funding for 1976/77 will also be insufficient: municipal applications representing close to 3/4 of OHRP's budget received ministerial approval in principal during the first four months of the fiscal year.

	<u>Program Budget</u>	<u>Ministerial Approvals in Principal</u>	<u>Excess</u>
1974	\$10,000,000	\$11,693,268	\$1,693,268
1975	\$15,000,000	\$19,828,113	\$4,828,113
1976	\$13,000,000	\$ 9,498,990	?
Est.		(after 4 mos)	

*Source: CRB April performance report, CRB
staff interviews*

- Oversubscription common in municipalities of all sizes but more prevalent in north and east. Municipalities regardless of size report that funds are insufficient to meet local demands for OHRP and in 1975/76, 64% of participating municipalities reported oversubscription to the program. While take-up was somewhat higher in the larger centres, a good proportion of municipalities under 100,000 also reported greater demand than funds available.

Proportion of Municipalities in Each
Category Reporting Oversubscription

<u>Size</u>		<u>Location⁽¹⁾</u>	
Small <10,000	- 52%	North	- 73%
Medium 10-100,000	- 58	East	- 67
Large 100,000+	- 71	Central	- 56
		Southwest	- 43

*Source: CRB prepared summaries of OHRP loan
forms, 1976 Municipal Directory*

The higher oversubscription rates in the northern and eastern areas would appear to confirm a common viewpoint that rehabilitation needs are greater in these areas than elsewhere in the Province.

- New entrants have to wait. Because demand exceeds total funds new municipalities often have to wait before entering the program. Although no records were kept during OHRP's first year, CRB staff report that 9 municipalities who applied in 1975/76 had to wait until the next year before there were sufficient funds to allow them into the program.

(1) Teiga boundaries from municipal directory (Exhibit 6)

COUNTY DISTRIBUTION IN TREASURY, ECONOMICS
AND INTERGOVERNMENTAL AFFAIRS (TEIGA) BOUNDARIES

CENTRAL ONTARIO

Brant	Ontario
Dufferin	Peel
Durham	Peterborough
Haldimand	Simcoe
Haliburton	Victoria
Halton	Waterloo
Muskoka	Wellington
Niagara	Wentworth
Norfolk	York
Northumberland	

SOUTHWESTERN ONTARIO

Bruce	Kent
Elgin	Lambton
Essex	Middlesex
Grey	Oxford
Huron	Perth

EASTERN ONTARIO

Dundas	Ottawa-
Frontenac	Carleton
Glengarry	Prescott
Grenville	Prince Edward
Hastings	Renfrew
Lanark	Russell
Leeds	Stormont
Lennox & Addington	

NORTHERN ONTARIO

Algoma	Sudbury
Cochrane	Timiskaming
Manitoulin	Kenora
Nippissing	Rainy River
Parry Sound	Thunder Bay

2. Housing requiring extensive repairs is being excluded in some cases, while in others required repairs are not being done. Some municipalities are modifying the OHRP guidelines in an attempt to meet the excess demand by stretching available funds and building a larger revolving fund. To do this, they lower the loan ceiling and/or lower or eliminate the forgiveness portion of the loan. In the 21 OHRP municipalities interviewed, we found that 5 municipalities have lowered the loan ceiling and 7 have modified forgiveness.

OHRP Municipalities Interviewed

<u>Lowered Ceiling</u>	<u>Modified Forgiveness</u>
1 to \$1800	2 eliminated
4 to \$5000	1 lowered to \$2500
	1 lowered to \$1800
	1 limited forgiveness to 80% of loan
	1 limited forgiveness to 50% of loan
	1 lowered to \$2500 or maximum 80% of loan amount

The effect has been to exclude some of the housing requiring extensive repairs, the lowest income groups and possibly some major repairs. This is a particular concern given the one-time eligibility of homeowners for the loan program.

A much less significant reason for repairs not getting done or for housing requiring extensive repairs being excluded is OHRP's \$7500 loan ceiling. Only 1 of the 21 municipalities interviewed reported more than a negligible number of applicants turned down because repairs would exceed \$7500. On the other hand, most municipalities are using a priority system on repairs to fit within the loan ceiling (often much lower than the \$7500 ceiling - see above) or to match an assessment of the applicants'

ability to repay. Some have declared certain expensive repairs (eg. foundations) ineligible in order to devote funds to other repairs. Even in municipalities with an effective \$7,500 ceiling, average loan amounts vary between the municipalities interviewed from \$2,500 to \$6,500 (see OHRP objective 2, Appendix A). Thus, while difficult to quote definitive statistics because of the many contributing factors, in certain municipalities there appears to be a limited need for a higher loan ceiling to complete repairs to some dwellings.

3. Few municipalities adopting and implementing M & O bylaws although some indication of long term commitment to such a program. We understand that only about 15%⁽¹⁾ of the municipalities participating in OHRP have adopted M & O bylaws (as opposed to resolutions) and thus very few are legally in a position to implement some form of enforcement. The results of our interviews (see Exhibit 3 earlier) indicate that most of those with bylaws do not introduce any routine inspection program. Inspections are generally limited to complaints or as a result of a request for an OHRP loan.

A further problem is the fact that some small and medium sized municipalities have adopted directly bylaws in force in large cities. The result is that these standards are often totally inappropriate for the local situation and needs. On the other hand, there are some signs of a gradual move and longer term commitment towards M & O enforcement. Of the 21 municipalities interviewed we would judge 9 to have a strong and a further 7 to have

(1) CRB statistics

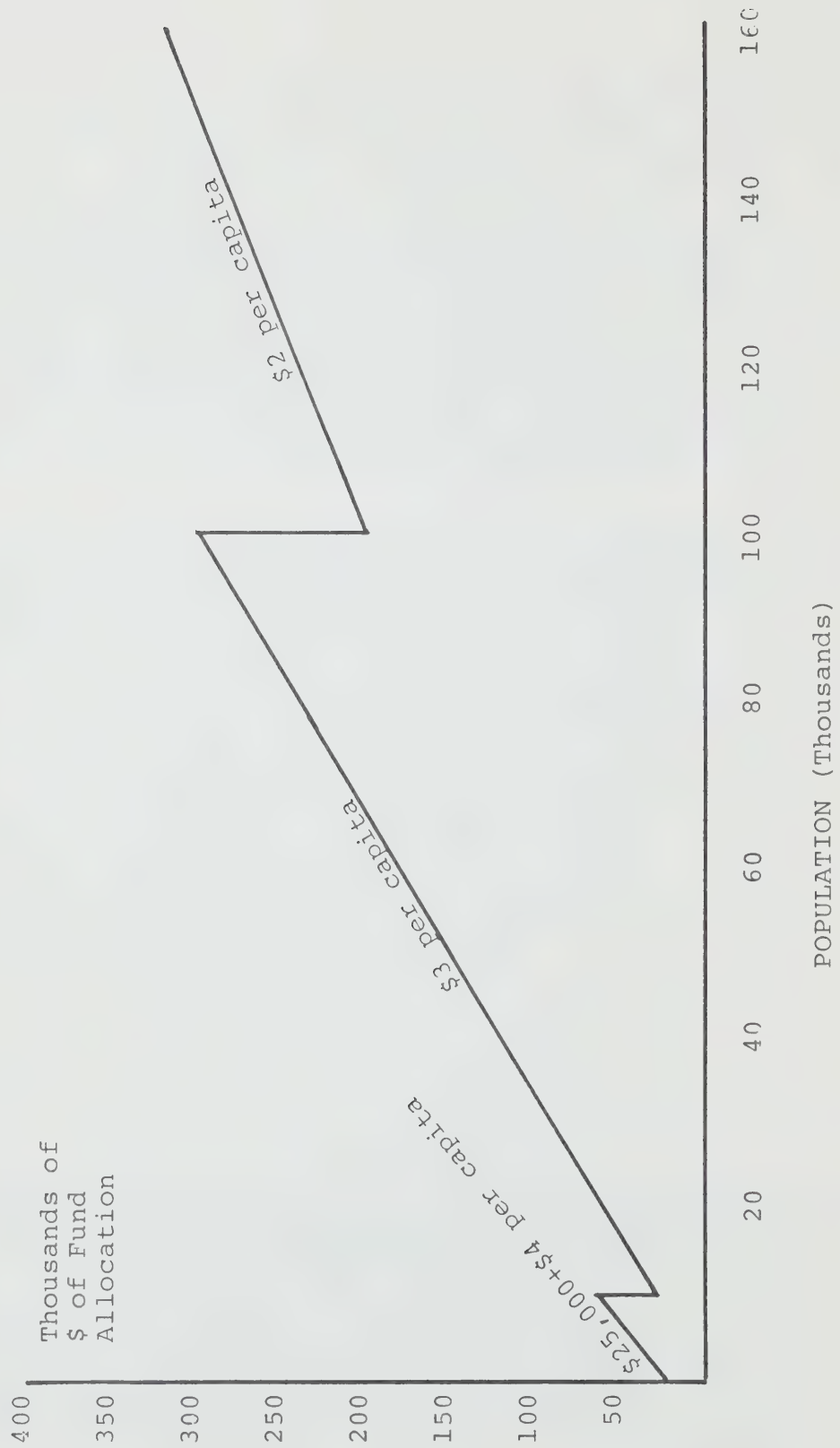
a medium commitment towards this end. Again, the least committed are the smaller centres.

4. Concerns have been expressed about current per capita allocation formula. The present funding formula (Exhibit 7) has discontinuities at the 10,000 and 100,000 population levels which are clearly inequitable. They mean, in effect, that municipalities slightly over these populations actually receive less than those slightly below.

In addition, complaints have been received that allocations to individual small municipalities are too low. This concern is supported by 150 letters from OHRP municipalities as well as general criticism received at OHRP workshops. It is pointed out, for example, that a municipality under 1,000 people receives an allocation of only \$29,000 - enough for only about 8 average sized loans. However, while it has been raised as a major concern, the participation rate among small municipalities indicates that the current allocation approach has not been a major deterrent to OHRP entry. In fact, if the current rate of entry by small municipalities is sustained, most should be in OHRP within the next 12 to 18 months.

5. There is evidence to indicate that there may be a possible problem with overly generous funding terms. When a program "takes-off" the way OHRP has, there should be a concern whether the funding terms are too attractive and may be artificially stimulating demand; or on the other hand, whether some of the funds are going to persons who do not really need the help.

DISCONTINUITIES IN EXISTING FUNDING FORMULA AT 10,000
AND 100,000 POPULATION LEVELS



There is some evidence indicating that this could be a problem in OHRP. In our survey which covered 171 OHRP recipients in 6 municipalities, 45 replied that they "would have made repairs on their own had government assistance not been available". About half of the recipients surveyed replied they "had made similar repairs to their homes in the past without government aid". The small number of respondents precludes absolutely definitive conclusions from being drawn on the actual percentage but the indication is clear that some persons have received OHRP who likely would have proceeded with repairs regardless.¹ The low rate of arrears in loan repayments to date (although too early to reach firm conclusions) is an indication that recipients are not having difficulty repaying. Collectively this limited evidence would indicate the need to consider a further review of this possible problem.

A clue to a possible cause of this problem is the high participation of older persons in OHRP (54% of those surveyed were over 55 years of age). While they typically have low incomes, they often have proportionately higher assets and little or no mortgage, with the result that their GDS ratios are low. Another reason could be that persons receiving a relatively small loan can more afford to repay it, than those receiving higher amounts.

1. A note on the statistical significance of these results. The statistical variance for a sample of this size (171) is $\pm 9\%$. On this basis if 26% (ie. 45) of the 171 OHRP recipients surveyed said they would have made the repairs on their own it means that, 95 times out of a 100, anywhere from 17 to 35% of the recipients in the municipalities studied would have responded in a similar manner. It should be noted however, that the survey was only able to be conducted in a sample of 6 municipalities and not the total in the program.

SOME MINOR OBJECTIVES HAVE NOT BEEN MET

Most of the program objectives have been met. However, two minor objectives have not been achieved. First, there has been a very limited application of OHRP funds in NIP areas. Virtually all municipalities interviewed do not allow piggybacking and exclude OHRP from NIP areas. This is largely due to heavy oversubscription to OHRP throughout the rest of the municipality as well as the increased loan limit available under the new RRAP guidelines.

Secondly, less than 1/3 of all OHRP recipients surveyed credited the province of Ontario for the program. More respondents thought the program was sponsored by their local municipality.

% of Surveyed Respondents Crediting as Source of Funds

Province	-	31%
Municipal	-	41
Federal	-	7
Other	-	2
Don't Know-		19

Source: Survey of OHRP recipients in 6 municipalities

SOME CONCERNS ONLY PROBLEMS AT BEGINNING

In certain municipalities, expressed concerns appear to be problems only during the start up phases of the program. For example some municipalities particularly smaller ones, reported early over-runs on administrative costs. However, this has not deterred entry into OHRP and municipalities reduce their costs as they become more familiar with the operation of the program. Similarly, it takes time to train PSO's although resources are now available to assist municipalities

(eg. workshops, PSO Association). Some municipalities have also said that interested contractors are initially skeptical or hesitant of OHRP until it becomes established and they understand how it works. Most PSO's and homeowners interviewed were pleased with the general quality of work produced by the contractors and with the prices charged. Some early problems with cost estimating appear to disappear once the PSO's and the contractors acquired more experience.

Early concerns about OHRP's impact on market value, both of the rehabbed units and surrounding properties appear unfounded. Certainly the rehabbed unit increases in value, but probably little more than the cost of repairs. OHRP has apparently not been concentrated sufficiently to date to have a significant impact on overall market values of a neighbourhood.

Similarly property assessment and accordingly taxes, have not risen dramatically as some had expected. It appears the Province is avoiding re-assessment where possible, until market price assessment is introduced province-wide. This concern may prove to be a problem in the longer run.

C. RECOMMENDATIONS

Our recommendations deal first with the continuing need for the program and then with the basis for allocating funds and where priorities should be placed. Finally, we discuss other recommended changes to the design and administration of the program.

IS THERE A CONTINUING NEED FOR A PROGRAM?

There is ample evidence of a strong continuing need for the program. There is a substantial backlog of demand from the bulk of the almost 400 municipalities now in the program, most of whom report oversubscription of the funds available. Furthermore, there are the remaining 400 mainly smaller municipalities in the Province who are not yet in the program and who are continuing to apply for entry at a steady rate. In both groups of municipalities there is presumably a large number of homeowners who are either waiting to be approved for loans or are interested in applying. Finally, and most importantly, there is a continuing need to provide an incentive to municipalities to encourage greater bylaw enforcement.

In addition to the obvious need for a program, experience to date with OHRP has shown that past funding levels have been well below demand from municipalities:

	<u>OHRP Budget</u>	<u>Ministerial Approvals in Principle</u>
1974	\$10,000,000	\$11,693,268
1975	\$15,000,000	\$19,828,113
1976	\$13,000,000	\$ 9,498,990 (after 4 mos.)

If all municipalities in the province were to enter OHRP and be allocated funds according to the current formula, the program would require a \$42 million budget. However, given that not all municipalities could use up their full allocation each year, experience to date would indicate that the maximum annual budget is more likely to be 40-60% of this figure.

Given the evidence of continuing, and probably expanding need for the program, we recommend that:

OHRP should be renewed in 1977 for a period of three, and preferably five years with consideration given to expanding the funds available for the program.

Renewing OHRP for a further three to five years will provide municipalities with assurance of continuing assistance to encourage progress towards bylaw adoption and implementation and to provide for municipalities not yet in the program. Provision should be made for an evaluation of the program near the end of its renewed term. However, there should be some changes introduced to the program to address current problems and their causes. Also, given that under current fiscal restraints substantial budget increases are unlikely, a funding strategy and method of allocating limited funds is needed.

WHAT SHOULD BE THE BASIS FOR ALLOCATING OHRP FUNDS?

The current approach to allocating funds in OHRP is to respond to demand; that is, municipalities request funds, a per capita formula is used to set the maximum allocation for

each municipality and funds are then allocated according to the amount of money in the program. After three year's experience with the program, the question now is should funding still be based on demand and a per capita formula, or should some measure of need be introduced into the allocation approach?

While ideally, funding should reflect needs, there is no objective measure of need for OHRP across the Province. No standardized survey has been conducted on the number of substandard units occupied by persons eligible for OHRP, although the Ministry has made preliminary attempts based on available statistical data. Estimates provided by individual municipalities can be expected to vary widely according to the general standard of housing and income levels in the municipality, stringency of local bylaws, and the judgement and experience of the inspectors in the area. Thus, compilations of local estimates cannot be expected to provide a sound basis for estimating varying needs across the Province. Finally, OHRP data to date provides little guidance. Although there are some indications that northern and eastern municipalities are mostly oversubscribed, other areas of the province are still oversubscribed to a considerable degree (40-60%). There is no major correlation between oversubscription and city size and even average loan size between municipalities is unreliable as evidence of need because many are lowering the loan ceiling to spread funds.

On the other hand, allocating funds in response to demand from municipalities does not appear to have introduced any major inequities to date. One might expect the

larger, better staffed and generally better organized municipalities to be more highly involved and use up funds quicker. However, this has not generally been the case. While most large centres are in and report somewhat higher oversubscription, between 40 and 70% of municipalities in various size ranges under 100,000 population are now in OHRP and 50-60% of these report oversubscription. Also there is a steady demand by new municipalities to enter the program. Finally, while active M & O bylaw enforcement could stimulate demand, so few municipalities have adopted and administered bylaws on a regular basis that one cannot conclude that demand is unnaturally stimulated in this respect.

Therefore, in the absence of definitive information on need for OHRP or on major problems with the present approach we recommend that:

OHRP funds should continue to be allocated in response to requests for funds from municipalities, with allocations based on a per capita formula.

While changes are needed in the per capita formula, their nature will depend on where priorities are to be placed in the future.

WHERE SHOULD PRIORITIES BE PLACED?

At the moment there is no policy concerning which municipalities receive priority for the limited available OHRP funds. To date, overall OHRP funding has been sufficiently adequate to accommodate most municipalities returning for additional allotments and those entering the program for the first time. Only those applying late in the year have been asked to re-apply in the coming fiscal year.

As observed earlier in this report, the smaller municipalities receive higher funding levels than larger centres, individually on a per capita basis and collectively in terms of total budget allocation compared to their share of provincial population. Comparatively, the unorganized territories are even more highly funded.

Given the limited funds and the likelihood that, in the future there will not be sufficient funds to satisfy all requests from municipalities, the question now is where should priorities be placed?

- On breadth? That is, on bringing the remaining municipalities representing some 20% of the province's population into the program so that every one has access to the program. This priority would imply an emphasis on new entrants and smaller centres.
- On depth? This would imply giving priority to encouraging municipalities now in the program towards more rehabilitation and M & O bylaw enforcement, (ie. the main objective not yet being met). This approach would mean that priority would be given to municipalities now in the program, not new entrants, and that further incentives or requirements might be added encouraging more enforcement.

Considering these two strategies, a strong case can be made for both, and each would have some important implications (Exhibit 8). On balance it would appear that the most appropriate strategy would be to give priority to breadth until demand from new entrants is met, but with no change in inducements or promotional efforts beyond those employed to bring current participants into the pro-

THERE ARE STRONG ARGUMENTS FOR BOTH PRIORITIES AND SOME IMPORTANT IMPLICATIONS

THE CASE FOR:

BREADTH:

- Large number of small and medium municipalities not yet in program
- No indication that demand to get in is slackening
- Given that rehab need is randomly distributed, hard to give second allocation to existing participant rather than first for new entrant
- Least change from current approach

DEPTH:

- Gives priority to major current problem - lack of progress towards enforcement
- Existing participants can deliver limited funds more efficiently
- Bulk of provincial population now covered

IMPLICATIONS:

- Would increase bias in funding towards smaller municipalities
- Would require decrease in funding to municipalities already in program - at least in short run
- Implies slow progress towards enforcement
 - lower funds for larger centres
 - a disincentive
 - smaller centres more reluctant
- Would require that some municipalities be turned down or entrance delayed
- Would probably require shift in funding bias towards larger centres who are closest to enforcement

gram: in other words, do not give new entrants more favourable treatment to those already in (a possible exception here however, could be increased program promotion in eastern Ontario where take-up of the program among municipalities is considerably lower than elsewhere). When demand from new entrants tails off (expected within 12 to 18 months), shift priorities to existing participants, particularly those showing willingness to progress towards M & O bylaw adoption and implementation: it is this group that will bring greater depth to the program through a more intensive rehab program, more efficient delivery of OHRP because of their familiarity with the program and the leadership for other municipalities towards more enforcement. Thus, in line with this approach we recommend:

Emphasize breadth of application of the program by giving priority to municipalities not yet in the program, but do not increase program promotional efforts beyond current levels. When demand by new entrants decreases begin to emphasize depth of penetration by gradually shifting priorities to those municipalities willing to take steps towards enforcement of M & O bylaws.

Perhaps the major shortcoming of the program in terms of fulfillment of objectives is the lack of progress towards adoption and implementation of M & O bylaws. While the above recommendations would provide some incentive to municipalities in the latter years of the renewed program, there is a need to take further steps to encourage more enforcement. These should not take the form of escalating entrance requirements for the program

since this would detract from the objective of getting as many non-participants into the program as want to join and would, in effect, penalize them in comparison to earlier participants. A more appropriate approach would be to escalate the requirements for continued participation in the program while at the same time providing incentives to municipalities to progress towards adopting and implementing an M & O bylaw. Both the new requirements and the incentives should recognize that it is the larger municipalities who are most likely to move along this road first since they are the ones philosophically closest to this objective. To this end we recommend:

Take steps to encourage greater maintenance and occupancy enforcement:

- a) require that all participating municipalities have an M&O bylaw before their third annual allocation of funds after the 1975/76 fiscal year*
- b) plan to require municipalities to submit a program for M&O bylaw implementation before being allotted funds*
 - cities over 100,000 in 1978*
 - cities over 25,000 in 1979*
 - smaller centres as favourable climate develops*
- c) when possible within program budgets and other priorities, set aside a proportion of OHRP funds to be applied for (as additional to their normal allocation), by municipalities implementing enforcement programs*

But in no case before fourth annual allocation has been made

Finally, decisions on changes to the per capita allocation formula depend on whether OHRP's current weighting and priority on smaller municipalities is to be increased, and on commitments already made for such changes. Clearly, the discontinuities at 10,000 and 100,000 populations are very unfair to municipalities marginally over these sizes and should be removed. On the other hand, recent proposals responding to a large number of requests to increase allocations to smaller municipalities would require substantially more funds for the program or would require larger centres to be cut back. The net effect of the proposed formula changes would be to further increase the already high proportion of program funds going to the smaller centres. As an example, assuming all municipalities were in the program and applied annually for funds, the OHRP budget split would be as follows:

<u>Municipality</u>		<u>Total Allocation for Province (\$millions)</u>			
<u>Size</u>	<u>Number</u>	<u>Present Formula</u>		<u>Proposed Formula</u>	
Under 10,000	602	\$23.9	(57%)	\$43.0	(66%)
10-100,000	172	10.0	(24%)	14.2	(21%)
Over 100,000	16	8.0	(19%)	8.5	(13%)
Totals	790	\$41.9		\$65.7	

While this example is unrealistic in that not all municipalities will use up their allocation each year, it does indicate the relative weighting in the present and proposed formulas.

On balance, major changes to the per capita formula (except for the removal of the discontinuities) appear undesirable. Those proposed would increase the already large bias in the program towards smaller centres and would restrict the proposed later shift in priorities towards centres

with M & O enforcement. Also, the current formula is not deterring smaller municipalities from entering the program at a continuing strong rate - in particular a greater proportion of the smallest municipalities (<500 population) are in the program than some of the larger sizes.

However, the large number of complaints received from smaller centres and commitments already made to institute some changes must be recognized. Furthermore, it would seem appropriate to set targets on the proportionate share of the program to be allocated to the smaller and unorganized areas. To this end we recommend:

Modify the current per capita formula to:

- a) eliminate the discontinuities at
10,000 and 100,000 populations*
- b) if necessary to respond to complaints
and carry through on commitments made,
modestly increase sums allocated to
small municipalities*

*Set target of double their proportionate
share of provincial population for maximum
allocation of funds to smaller municipali-
ties and unorganized territories over life
of the program*

If the formula is to be increased for the smaller centres then consideration should be given to making it apply only to northern and eastern municipalities where evidence of oversubscription is greatest, or to eastern areas only where the lowest proportion of municipalities are now in the program. As far as the proportion of total OHRP funds

going to smaller centres is concerned, the figures are currently about 2.2 times their proportionate share for municipalities under 10,000 and five times for unorganized territories. Firstly, these two should be brought into line since there is little justification for the unorganized territories receiving more than other small population areas. Secondly, the reduction to double from 2.2 over the 3 to 5 year life of the program should not require major changes to the fund allocations over the early years but would be necessary as priorities begin to shift in later years to those centres progressing towards enforcement.

WHAT OTHER CHANGES TO DESIGN OF OHRP?

Having set the basic strategy and funding priorities for OHRP, the next step is to review what other changes should be made to the details of the renewed program.

Program Objectives

Some revisions should be made to OHRP's objectives from those when the program was announced. Some objectives are no longer appropriate. The earlier objective of extending rehab in NIP areas should be dropped in view of the very limited application of OHRP in those areas to date, the increasing popularity of RRAP and the anticipated constraints in OHRP's budget. In fact, the provision allowing OHRP to be piggybacked on RRAP in NIP areas should be dropped. Also, the objective of gaining provincial credit for the program amongst the majority of recipients is not being met and should probably be dropped.

New objectives should be added to reflect the major emphasis of the renewed program outlined earlier, and to quantify other objectives to make them more capable of later evaluation. Also, it is desirable to indicate some order of priority in the new objectives. Accordingly, we propose the following as objectives for the renewed OHRP program:

OHRP OBJECTIVES (in order of priority)

1. By 1981 to cause municipalities representing 2/3 of the province's housing stock to actively pursue preservation of the housing stock through adoption and programmed enforcement of maintenance and occupancy bylaws
2. To provide financial assistance for rehabilitation of substandard housing:
 - owned by persons who could not have rehabilitated privately
 - under repayment terms which do not cause an increase in personal debt which would constitute a hardship
 - with sufficient loan amounts to improve individual housing units at least up to minimum standard in provincial model guidelines
3. To commit all funds allocated to the program each year and over the term of the renewed program to ensure that smaller municipalities under 10,000 population and unorganized territories receive a portion of the annual allocation at least equal to double their proportionate share of provincial population
4. To administer program without increase in provincial staff from the number contemplated at the time program became operative

Additional objectives should be enunciated to cover the OHRP rental program soon to be announced.

Objectives 2 and 4 are similar to those for the current program. Achieving objective 1 would probably imply getting most if not all of the larger centres over 100,000 (representing about half of the province's population) plus some of the medium sized towns into programs of M & O enforcement. The third objective would have the effect of lowering somewhat the proportion of OHRP funds going to the smaller towns (to date it has been 2.2 times their proportionate share of population) over the five year life of the program. This does not mean, however, that in the next couple of years as new municipalities continue to be brought into OHRP, the proportion could not be higher.

Eligibility For Loans

A number of concerns were expressed to us that apparently needy persons earning more than the current \$12,500 adjusted income limit were being turned down for OHRP loans. While in some instances a good case could be made, there is ample evidence that there is a large unsatisfied demand for OHRP loans below the current limit and to raise the limit would only serve to increase the numbers of persons turned down or delayed because of lack of funds. Given the limited funds, OHRP should continue to focus on the lowest income groups.

Our interviews in municipalities indicated no particular problems or inequities resulting from the current adjusted family income scale or with the approach used to verify income of applicants. However, in light of our survey results indicating a possible problem because some OHRP recipients would have carried out the repairs without government assistance, some tightening of eligibility requirements for OHRP should be considered. Perhaps persons with low GDS ratios could be excluded or greater attention paid to persons with low incomes

but relatively high levels of assets. Also other benefit programs (such as GAINS) available to older persons should be more closely examined in relation to OHRP. Tightening of the eligibility requirements is a complex question and any proposed changes should be thoroughly examined to ensure that needy households will not be excluded, that the potential savings are not outweighed by the cost of screening, and that the program flexibility is not crippled by excessive control. Thus, we recommend:

Maximum adjusted family incomes at which households are eligible for OHRP should not be increased from current \$12,500

Consideration should be given to reviewing the whole question of tightening the eligibility requirements to eliminate households capable of rehabilitating privately

Loan Ceiling and Terms

While problems have arisen in some municipalities where the current \$7,500 loan ceiling has proven inadequate to make the repairs needed to bring houses up to standard, in the majority of areas \$7,500 is sufficient. Raising the loan ceiling generally across the Province would likely encourage the average loan value to creep up, thus decreasing the number of units able to be rehabbed within program budgets. To deal with special circumstances, however, it would be appropriate to allow some municipalities to extend the limit to \$10,000 if such a need could be clearly demonstrated. For example - if virtually all substandard houses in municipalities require new foundations as well as above ground work.

The current terms and conditions of OHRP loans appear appropriate and should not be changed. There is no evidence of hardship in repaying loans when the terms are similar to the provincial guidelines (in fact, the survey results would indicate that, if anything, the terms may be overly generous for some groups who could have rehabbed privately). Where problems clearly do exist is in instances when municipalities - to establish a greater revolving fund or for other reasons - increase the interest rates or lower the loan ceiling or forgiveable amounts from those in the provincial guidelines. In those cases the more stringent requirements effectively exclude the very low income groups from participating in OHRP. Thus, while the basic terms of OHRP loans should not be changed, steps should be taken to stop municipalities from making significant changes to the basic limits or terms of the loan. These might include more frequent auditing and threat of permanent or temporary exclusion from further OHRP funding for contravening the regulations.

Finally, the question of items of work eligible for funding under OHRP has been raised. Some municipalities interviewed during our work had limited the use of OHRP funds for some high cost items, notably foundations. However, this was a local interpretation of the guidelines presumably aimed at spreading funds and maximizing benefits within the \$7,500 loan ceiling. An increased ceiling in special circumstances could overcome this problem. Also, given the limited funds in OHRP and the large unsatisfied demand within current guidelines, we see no rationale for expanding the eligible work to cover, for example, more cosmetic items. In turn, no reduction in currently permissible work items is foreseen, although some questions could be raised about allowing sewer connections where they constitute the only work required to bring a house up to standard.

Therefore, to summarize our recommendations:

Make no changes to the loan ceiling or the terms and conditions of OHRP loans.

However:

- *to handle special circumstances, make provision for municipalities to apply for a \$10,000 loan ceiling upon demonstration of need*
- *take steps to prevent municipalities from making major alterations to the loan ceiling, interest rates or forgiveness amounts*

The intent of the last recommendation should be to eliminate major abuses (such as setting \$2,000 ceiling or eliminating forgiveness altogether). Some local flexibility which is an attractive feature of OHRP should be retained. Finally, notwithstanding the general recommendation that no changes be made, some alterations may result from consideration of the earlier recommendation concerning the tightening of eligibility requirements to eliminate persons not needing OHRP.

Program Administration

The Community Renewal Branch has been very effective at launching OHRP and has met the stated objective of doing so without increasing staff levels. Basically, the CRB should continue its current approach to administering the program with revisions as necessary to meet the revised objectives and changing priorities of the renewed program. However, some further activities could be undertaken within the current staff complement.

- a) Increase efforts to determine comparative need for OHRP across the Province through special surveys, discussions and estimates from municipalities, and analysis of available data
- b) Consider acquiring more information on OHRP recipients particularly age, household size and GDS ratio as input to possible revisions to eligibility requirements and for on-going monitoring needs. Do not however, require municipalities to report this information on a regular basis as this would constitute a burden
- c) Provide technical assistance to municipalities who need to revise inappropriate local M & O standards
- d) Continue to audit municipalities and to monitor and evaluate the program, with particular attention to ensuring that the provincial guidelines are met
- e) Now that OHRP is a mature program, take more steps to co-ordinate with other related provincial and federal programs such as those dealing with senior citizen support, energy conservation and welfare. At the very least this should include ensuring literature on the other programs is provided to PSO's and municipal offices for distribution to OHRP applicants. A further step could involve joint publication of program literature outlining various points of compatibility between the programs.
- f) Continue to provide the underpinning to the long term administration of M & O bylaws at the local level by sponsoring property standards officer associations, training and workshops

Administering the delivery of OHRP in the unorganized territories is difficult in that it involves three separate ministries (Housing, Health and Natural Resources) and a thinly scattered population. Despite reported concerns with problems verifying incomes, lack of inspectors fully trained in M & O standards work and finding suitable contractors, there appears to be little alternative but to continue the present approach to administering the program

in the unorganized territories. In line with a previous recommendation, steps should be taken to control the proportion of total program funds going to these parts of the Province.

Finally, despite some expressed complaints from a few municipalities, there is little evidence to show that the present allowance for administration costs imposes an unnecessary financial burden. Our interviews indicate that, if anything, the present allowance appears to slightly over-compensate larger municipalities. While smaller centres tend to have to contribute some of their own funds to administration in the early years, the amounts are small, are not required once delivery of the program becomes efficient and do not affect the municipality's initial and continuing interest in the program. Thus we recommend that no changes be made in the administrative allowances.

Therefore, to summarize these recommendations on the overall administration of the program:

Continue the same approach to administering the program including CRB activities, the approach used for the unorganized territories and administrative allowances provided to the municipalities

CRB should undertake several new activities and increase attention to some others in order to meet revised objectives and changing priorities

APPENDIX A

EVALUATION OF ACHIEVEMENT OF PROGRAM OBJECTIVES

The initial step in the evaluation of OHRP was to document and get agreement by Community Renewal Branch staff on the various program objectives. These were alphabetically numbered and their respective issues identified and recorded in the manual produced in March, 1976.⁽¹⁾ This appendix presents our findings and conclusions with respect to each of these objectives and issues.

1. NIP, RRAP, OHRP. *An Approach To Monitoring and Evaluation*
Peter Barnard Associates, March, 1976.

OHRP OBJECTIVE 1: To provide financial assistance for rehabilitation of substandard housing throughout a municipality owned and occupied by persons who would not have rehabilitated their units privately.

QUESTIONS	FINDINGS	CONCLUSIONS
A. What proportion of recipients would have rehabbed without assistance?	Resident survey shows 26% would have rehabbed without assistance. Exhibit 01A shows that most recipients probably could not afford private rehab as highest average annual family income (adjusted) was \$7737. Most of municipalities interviewed reported little private rehab in this income group prior to the program.	OHRP recipients could not have rehabbed without financial assistance.
B. What proportion of persons needing assistance have not received loans?	In a few municipalities a small proportion of low income applicants were refused on the basis of high GDS. Lowest income group not always reached where forgiveness portion of loan is reduced or taken away. Also, some low income people have not applied because they know work exceeds loan, but no records kept. Lowest incomes are usually reached, especially when priorities are set on loans.	Persons needing financial assistance for rehab might not receive loans when forgiveness is lowered or renewed or when debts prevent qualifying for a loan.
OVERALL CONCLUSION:	Objective generally met as majority of OHRP recipients could not have rehabbed without financial assistance. However, attempts should be made in future to assure that lowest income groups are not excluded because municipalities alter forgiveness rates of loans.	

OWNER OCCUPIED HOUSES HAVE BEEN REHABBED BY PERSONS WHO COULD NOT AFFORD TO REHAB PRIVATELY

OHRP MUNICIPALITY INTERVIEWED	AVERAGE ADJUSTED FAMILY INCOME (1)	APPLICANTS REFUSED DUE TO HIGH GDS (2)	EFFECTIVE MUNICIPAL LOAN CEILING OR FORGIVENESS (2)	OHRP PROGRAM STATUS (3)	IS OHRP REACHING (2) NEEDIEST PEOPLE	
					YES	NO
Cambridge	\$7737	Negligible	Max. forgiveness= 80% of loan	Oversubscribed	•	
Cornwall	5770	Negligible	Max. forgiveness= \$3200	Oversubscribed	•	
Gravenhurst Hamilton	7518 6206	3 >100	- Max. forgiveness= \$2500 or 80% of loan (lesser)	Matching Targets Oversubscribed	•	•
Kenora	6148	Unknown	Was \$3000 } Ceiling Now \$1800 } & for- } givenness	Oversubscribed	•	
Kingston Lindsay	5500 4500	Negligible Negligible	\$5000 loan ceiling \$5000 loan ceiling max. forgiveness= 50%	Oversubscribed Just Started		•
London	6482	Negligible	-	Matching Targets		
Napanee	5504	Negligible	Max. loan \$5000	Matching Targets	•	
Orillia	No loans yet	-	No loans yet	-	-	-
Ottawa	7223	Unknown	-	Matching Targets	•	
Peterborough	5802	Negligible	Max. forgiveness= \$2500	Oversubscribed	•	•
Sarnia	5752	Negligible	-	Oversubscribed	•	
St. Catharines	6814	Negligible	-	Oversubscribed	•	
Strathroy	6-8000	Negligible	No forgiveness, 3% interest rate	Matching Targets	•	•
Sudbury	6773	Negligible	Standard to April, 1976, Now \$5000 ceiling, no for- givenness	Oversubscribed		•
Thunder Bay	6576	Negligible	-	Oversubscribed	•	
Tiny Township	3741	Negligible	-	Matching Targets	• (2 or 3 exceptions)	
Toronto	5900	>30	-	Matching Targets	•	
Unorganized Territories	6000	Negligible	-	Unlimited Fund.	•	
Welland	Just Started	-	-	Just Started	•	
Windsor	4411	Negligible	-	Oversubscribed	Too early	•

(1) Based on available data from OHRP 10b forms & municipal interviews; (2) Info obtained from interviews with municipal officials; (3) Data from CRB, Ministry of Housing

OHRP OBJECTIVE 2: To provide sufficient funding to improve individual housing units at least up to the minimum standard in model guidelines developed.

QUESTIONS	FINDINGS	CONCLUSIONS
A. What proportion of potentially eligible applicants acquired repairs exceeding loan ceiling?	Negligible # of applicants were refused because repairs needed exceeded loan ceiling, in the 21 municipalities interviewed (Exhibit 02A). Some inspectors felt that houses needing over \$7500 work not worth saving. However, no records kept of those not applying because work needed would exceed loan. Difficulties in municipalities where loan ceilings have been substantially lowered so needy houses might not qualify.	A negligible number of applicants need repairs exceeding loan ceiling.
B. What proportion of those who proceeded with the work had total repairs in excess of loan ceiling?	Eleven of municipalities interviewed reported loans renegotiated for higher amounts due to faulty estimates or hidden work (Exhibit 02A). In no cases did this exceed the loan ceiling.	Very few municipalities reported applicants proceeding with the work and having repairs in excess of the loan ceiling. Instances where this did occur were paid for privately. Repairs were higher in northern communities due to generally higher costs.

OVERALL CONCLUSION: Objective being met in the short term as funding is sufficient to bring individual housing units up to minimum standards. Major problem occurs in cities where loan ceiling and forgiveness have been altered.

MUNICIPALITIES BRINGING SUBSTANDARD HOUSING UP TO MINIMUM STANDARDS

OHRP MUNICIPALITY INTERVIEWED	# OHRP LOANS APPROVED (1)	AVERAGE LOAN (1)	EFFECTIVE LOAN CEILING (2)	# REJECTED AS REPAIRS EXCEEDED LOAN CEILING (2)	% LOANS RENEGOTIATED FOR HIGHER AMOUNTS	PRIORITY SYSTEM USED TO BRING REPAIRS BELOW LOAN CEILING & AFFORDABILITY	
						YES	NO
Cambridge	93 (Apr. 76)	\$3800	\$7500	Negligible	Negligible	•	•
Cornwall	95 (Jun. 76)	3000	7500	Negligible	9%	•	
Gravenhurst	26	3500	7500	Negligible	Negligible	•	
Hamilton	445	3200	7500	Several	<10%	•	
Kenora	19	2200	Med. 3000 Low 1800	Negligible	15%	•	
Kingston	30 (Jun. 76)	3600	5000	Negligible	Negligible	•	
Lindsay	5	3000	5000	Negligible	Negligible	•	
London	75 (Jun. 76)	3000	7500	Negligible	3%	•	
Napanee	36	4600	5000	Negligible	19%	•	
Orillia	0	-	-	-	-	-	-
Ottawa	42	4750	7500	Negligible	5%	•	
Peterborough	125 (Jun. 76)	2500	7500	Negligible	15%	•	
Sarnia	48 (Dec. 75)	4000	7500	Negligible	12%	•	
St. Catharines	149 (May 76)	2800	7500	Negligible	20%	•	•
Strathroy	29 (Jun. 76)	2500	7500	Negligible	Negligible	•	•
Sudbury	300 (May 76)	4100	5000	Negligible	Negligible	•	
Thunder Bay	17	4600	7500	Negligible	Negligible	•	
Tiny Twp.	14 (Dec. 75)	4500	7500	Negligible	Negligible	•	
Toronto	352	4650	7500	Negligible	14%	•	
Unorganized Territories	212 (Apr. 76)	3700	7500	Negligible	<1%	•	
Welland	7 (Jun. 76)	3-4000	7500	Negligible	Negligible	•	Too early
Windsor	138	6500	7500	Negligible	9%	•	

* All loan renewal approvals are as of March, 1976

(1) Data from Quarterly Reports, Community Renewal Branch, Ministry of Housing

(2) Information obtained from interviews with municipal officials

OHRP OBJECTIVE 3: To ensure that the financial assistance provided does not cause increases in personal debt which would constitute a hardship for owner-occupants.

QUESTIONS	FINDINGS	CONCLUSIONS
A. Are owner-occupants undergoing undue hardships because of increases in personal debt?	Municipal officials all reported that recipients were not reporting financial hardships because of small increases in GDS (Exhibit 03A). Loans are being paid off on time in 15 of the 18 municipalities interviewed.	OHRP recipients are not undergoing financial hardships as a result of loan repayments.
OVERALL CONCLUSION: Objective is being well met as municipalities reported OHRP recipients are not experiencing financial difficulties or unmanageable increases in personal debt as a result of participation in the loan program.		

OWNER OCCUPANTS ARE NOT EXPERIENCING FINANCIAL HARDSHIP OR
INCREASES IN PERSONAL DEBT DUE TO THE OHRP PROGRAM

OHRP MUNICIPALITY INTERVIEWED	RECIPIENTS CLAIMING REPAYMENT A HARDSHIP (1)		ARREARS IN LOAN REPAYMENTS (2)		AVERAGE GDS RATIO (1)	
	NO	YES	NO	YES	BEFORE LOAN	INCREASES AFTER
Cambridge	•		•		Unknown	Unknown
Cornwall	•		•		25-30%	Unknown
Gravenhurst	•		•		25-30%	5-8%
Hamilton	•		•	•	<20%	2-3%
Kenora	•		•		Don't calculate	
Kingston	•		•		25-30%	Unknown
Lindsay	Too early		Too early		-	-
London	•		•		10-20%	8-10%
Napanee	•		•		27%	3%
Orillia	Too early		Too early		-	-
Ottawa	•		•		25-30%	Unknown
Peterborough	•		•		25-30%	Unknown
Sarnia	•		•		25-30%	1-2%
St. Catharines	•		•		<30%	Unknown
Strathroy	•		•		<30%	Unknown
Sudbury	•		•		25%	Unknown
Thunder Bay	•		•		5%	10%
Tiny Township	•		•	•	Unknown	Unknown
Toronto	•		•		15-20%	5-10%
Unorganized Territories	•		•		Unknown	Unknown
Welland	Too early		Too early		Unknown	Unknown
Windsor	•		•	•	<20%	Unknown

(1) Information obtained from interviews with municipal officials

(2) Data from OHRP files

OHRP OBJECTIVE 4: To cause municipalities to actively pursue preservation of the housing stock through the adoption and implementation of maintenance and occupancy standards.

QUESTIONS	FINDINGS	CONCLUSIONS
A. What proportion of adopted standards exceed/fall below model guidelines?	Thirteen of the twenty-one municipalities interviewed did not have M & O standards prior to the program and all have, or plan to, adopt standards or bylaws exceeding the model guidelines (Exhibit 04A). Some bylaws inappropriate for size and location of municipality.	All municipalities interviewed have adopted standards exceeding the model guidelines. Some could use help in revising the adopted bylaws to better meet their needs and make by-laws easier to implement.
B. What proportion of municipalities have adopted by-laws as opposed to standards?	Only about 15% presently have bylaws.	Little enforcement possible because of low percentage adopting bylaws.
C. To what degree do those municipalities with M&O bylaws implement them?	Apparently only 2 municipalities in province administering routine or limited enforcement program.	Active enforcement not occurring.
D. What level of enforcement is likely to be carried out if program funds are terminated?	Municipalities adopting standards and investing in hiring and training inspectors which suggests long term commitment to enforcement. However, some municipalities primarily ones who just adopted standards for OHRP, probably would not continue towards enforcement if funds were terminated. (Exhibit 04A)	Appears to be long term commitment to enforcement but presence of OHRP definitely strengthens this.
OVERALL CONCLUSION:	Objective not being met to date as most municipalities only have M & O standards and even those with bylaws are not actively enforcing. However, indications are that the objective will be met in the future, especially if a loan program is available. Some municipalities could use assistance in revising bylaws to make them realistic and possible to implement.	

MOST MUNICIPALITIES ARE COMMITTED TO LONG TERM M & O PROGRAM

OHRP MUNICIPALITY INTERVIEWED	RESOLUTIONS/(1) BYLAW & MODEL GUIDELINES		# INSPECTORS HIRED FOR PROGRAMS (1)		COMMITMENT TO LONG TERM (1) ENFORCEMENT
	ABOVE	BELOW	BEFORE	AFTER	
Cambridge	•		0	1	Medium
Cornwall	•		0	2	Strong
Gravenhurst	•		0	1	Weak
			before	part-	
			NIP	time	
Hamilton	•		3	5	Strong
Kenora	•		1	1	Weak
Kingston	•		3	4	Strong
Lindsay	•		1	1	Medium
London	•		0	3+2 to	Medium
				be	
				hired	
Napanee	•		0	1	Strong
Orillia			-	-	Too Early
Ottawa	Unapproved		7	14	Strong
Peterborough	•		7	7	Strong
Sarnia	•		0	2	Medium
St. Catharines	•		0	3	Strong
Strathroy	•		0	1	Weak
Sudbury	•		0	1	Medium
Thunder Bay	•		0	2	Medium
Tiny Twp.	•		2	2	Weak
Toronto	Using Guidelines		70	70	Strong
Unorganized	•				
Territories	Using Guidelines		Using Dept. of Health		Weak
Welland	•		0	1	Medium
Windsor	•		2	4	Strong

(1) Information obtained from interviews with municipal officials

OHRP OBJECTIVE 6: To increase the number of houses rehabilitated in NIP areas beyond those funded by RRAP alone.

QUESTIONS	FINDINGS	CONCLUSIONS
A. How many houses in NIP areas rehabbed by a combination of RRAP and OHRP or by OHRP alone?	Seven municipalities reported instances of piggybacking and all were in early stages of program before RRAP loan ceiling was increased (Exhibit 06A). Recent RRAP increase has meant that piggybacking has been discontinued.	Virtually no municipalities allow RRAP and OHRP to be used together in the NIP area now.
OVERALL CONCLUSION: Objective has not been met. Recent changes in the RRAP loan ceiling have really eliminated this as an OHRP objective.		

OHRP MUNICIPALITY INTERVIEWED	SUBSTANDARD HOUSING IN (1)		HAS PIGGYBACKING OCCURRED (1)		OHRP EXCLUDED FROM NIP AREA		(1)
	NIP AREA	SCATTERED	YES	NO	YES	NO	
Cambridge		•	•			•	
Cornwall		•		•	•		
Gravenhurst	Whole Town	in NIP		•	•		
Hamilton		•	1 case-policy not to		• (allowed before RRAP)		
Kenora		•	No RRAP			•	
Kingston		•	•		•		
Lindsay		•		•	No definite policy		
London		•		•			
Napanee		•	Programs not started		• (allowed before new RRAP)		
Orillia		•				-	
Ottawa		•		•	•		
Peterborough		•		•	•		
Sarnia	Mostly		•		•		
St. Catharines		•	•		•		
Strathroy	No NIP Areas	•	-		-		
Sudbury		•	•			•	
Thunder Bay		•		•	•		
Tiny Township	No NIP Areas		-		-		
Toronto		•	• (almost no RRAP)			•	
Unorganized Territories	No NIP Areas	•	-		-		
Welland		•	-		-		
Windsor		•	•		•		

(1) Information obtained from interviews with municipal officials

OHRP OBJECTIVE 8: To commit all funds allocated to the program each year and to ensure that smaller municipalities receive an equitable portion of annual allocations.

QUESTIONS	FINDINGS	CONCLUSIONS
A. Were all allocated funds committed during the year?	100% of allocated funds were committed for fiscal years 1974-76. CRB expects all funds for 1976-77 to be committed before end of fiscal year (Ex.08A).	Takeup of OHRP funds has been very good with all funds committed by the end of each fiscal year.
B. What proportion of OHRP funds are going to smaller municipalities?	In 1974-75, 29% of OHRP funds were spent on smaller municipalities under 10,000 people. This was raised to 53% in 1975-76 and reflects the steady increase in participation in OHRP by small municipalities (Ex.08B). Oversubscription is occurring in many municipalities regardless of size (Ex.08C).	

OVERALL CONCLUSION: Objective has been met as all allocated funds have been committed each year. Increasingly smaller municipalities are participating in the program and consuming a larger share of the funds. Oversubscription appears equally prevalent in many municipalities regardless of size.

ALL ALLOCATED OHRP FUNDS WERE COMMITTED DURING FIRST
TWO YEARS OF OPERATION AND EXPECT ENTIRE 1976-77 ALLOCATION
TO BE COMMITTED BEFORE THE END OF THE FISCAL YEAR

MUNICIPALITIES IN OHRP	OHRP FUNDS		
	1974-75 (1)	1975-76 (includes (1) unorganized territories)	1976-77 (1)
Ministerial Amount Approved	\$11,693,268	\$19,828,113	\$9,498,990 (as of Aug. 9/76)
Budget Allocated	10,000,000	15,000,000	\$13,000,000
Cash Forwarded To Municipalities	10,158,200	15,993,266	8,791,000 (as of July 30/76)
% of Budget Allocated	100%	100%	68%
Amount Expended By Local Municipalities (as of June 30/76)	9,082,162	9,671,903	Too Early
% of Cash Forwarded Spent By Municipalities	89%	60%	Too Early

- (1) Fiscal year is from April to March. All figures obtained from Community Renewal Branch,
Ministry of Housing
- (2) Cash forwarded to municipalities is greater than budget allocated. Additional funds were
approved from other programs which had not used their total budgets
- (3) CRB expects all funds to be committed before end of fiscal year and is applying for an
additional \$2MM to try to meet some of the demand

LARGEST USERS OF OHRP ARE SMALL MUNICIPALITIES ALTHOUGH THEY HAVE
SMALLEST PERCENTAGE OF TOTAL POPULATION. TRENDS SUGGEST THIS WILL CONTINUE.

MUNICIPALITIES IN OHRP	% DISTRIBUTION WITHIN OHRP (1)			% OF POPULATION TOTAL IN OHRP (1)			% OF ANNUAL OHRP ALLOCATION (1)		
	1974-75	1975-76	1974-76	1974-75	1975-76	1974-76	1974-75	1975-76	1974-76
Small (< 10,000)	74%	84%	80%	6%	28%	13%	29%	53%	41%
Medium (10-99,999)	18%	15%	16%	22%	45%	29%	71%	47%	59%
Large (> 100,000)	8%	1%	4%	72%	27%	58%			
TOTAL	100	100	100	100	100	100	100	100	100

(1) Based on data from 1976 Municipal Directory, and Community Renewal Branch, Ministry of Housing

MAJORITY OF MUNICIPALITIES, REGARDLESS OF SIZE, ARE OVERSUBSCRIBED TO OHRP PROGRAM

MUNICIPALITIES IN OHRP	SUBSCRIPTION RATE (%) (1)											
	1974-75*				1975-76*				1974-1976			
	OVER SUB.	EVEN	UNDER SUB.	TOTAL	OVER SUB.	EVEN	UNDER SUB.	TOTAL	OVER SUB.	EVEN	UNDER SUB.	TOTAL
Small (>10,000)	50	7	43	100	62	4	34	100	56	6	38	100
Medium (10-99,999)	50	5	45	100	58	4	38	100	54	5	41	100
Large (>100,000)	0	0	100	100	71	0	29	100	36	0	64	100
Average of all OHRP Municipalities	45	6	49**	100	66	2	32	100	56	4	40	100

* Municipalities report to June April to May.

(1) Based on data from Community Renewal Branch, Ministry of Housing

** Includes 15 municipalities or 11% of total which did not report. Assume they are undersubscribed as no progress reports were submitted even after several months.

OHRP OBJECTIVE 9: To administer the program without need to increase the provincial staff from the number at the time when the program became operative.

QUESTIONS	FINDINGS	CONCLUSIONS
A. Has the staffing level changed since the program became operative?	At the outset of OHRP, CRB had a staff of 21 and a total complement of 21. From 1974-76 the staff has remained constant at 22 persons and is expected to say the same for 1976-77.	The staff level has remained stable since the OHRP program became operative.

OVERALL CONCLUSION: Objective is being met as OHRP has been administered without increases in provincial staff since the program began.

OHRP OBJECTIVE 10: To deliver the program in such a way that the homeowner is aware that the program is provincially funded.

QUESTIONS	FINDINGS	CONCLUSIONS
A. What proportion of OHRP recipients are aware of the funding source?	<p>Resident surveys showed that 23% of OHRP applicants knew the name of the program. Only 31% of OHRP recipients knew the program was a provincial one while 41% thought it was a municipal program.</p> <p><u>Reasons for unawareness:</u></p> <ul style="list-style-type: none">● program is municipally administered● several municipalities interviewed pay contractors directly and some do not always include OHRP letter with payments	<p>Only 31% of OHRP recipients surveyed realize the program is provincially funded. A higher percentage think that the program is municipally sponsored.</p>

OVERALL CONCLUSION: Objective is not being met as most OHRP recipients are unaware that the program is provincially funded.

APPENDIX B

CONCERNS ABOUT THE ONTARIO HOME RENEWAL PROGRAM

In the early stages of planning the 1976 evaluation, a number of concerns were expressed about OHRP. These have been considered in depth in the course of this year's evaluation. Most appear to present no particular problem and accordingly are only given a brief commentary. Some of the original concerns are effectively covered in the analysis of the program's objectives and will not be reviewed in this section. Where further insight into a concern is available in the objectives, a cross reference is provided.

CONCERN

- Is it necessary to rehabilitate all substandard units in an area to counteract the rate of area deterioration?

- Is it realistic to expect that the funding only and physical approach of the programs toward the rehabilitation problem will result in continued maintenance of the rehabbed properties by the recipients?

- Should a prioritized system of work required to bring a unit up to minimum standards be adopted for those whose total work exceeds the loan ceiling?

- Are potentially eligible persons not picking up on OHRP as expected through either lack of sufficient information or fear or dislike of some aspect of the program?

COMMENT

- Indications that just need to rehab a majority of substandard housing to generate neighbourhood-wide concern for maintenance. Also can then bring in bylaw enforcement to force rehabbing.

- Too early to tell if rehabbed units will be maintained. Would expect those utilizing sweat equity or extra contribution by owner would be preserved. May be problem with elderly.

- See objective #2. Prioritized system of work apparently used in all cities interviewed.

- Some OHRP administrators cite reluctance of elderly to incur debt and certain attitudes regarding taking advantage of 'government give away' programs. Also lack of municipal OHRP promotion (because of over-subscription) may mean some not informed.

CONCERN

- Is the length of time now required to process a loan keeping contractors from participating?
- Is the individual method of hiring contractors keeping contractors, especially larger more experienced firm, from participating?
- Is the program, in general, attracting competent contractors?
- Are contractors attempting to take advantage of government supported nature of the program by inflating costs?
- Do the municipalities have the capability in administrative staff (number and skill) to handle program delivery without undue delays?
- Do the municipalities have a sufficient number of skilled inspectors to deliver the program efficiently?

COMMENT

- Time not a major problem. Size of job, risks of uncovering extra work and dirty work appear to be major deterrents to participation. Generally however, adequate base of competent contractors.
- (Same comment as above)
- A few problems cited, particularly in unorganized territories and smaller rural areas. Generally attracting competent contractors.
- Other than concerns expressed about contractors in unorganized territories, no evidence of abuse.
- No problem in larger cities. Smaller municipalities encountered some start up problems but through recruiting and gaining of experience appear to have no problem in longer term.
- Certainly shortage of inspectors at outset delayed loan processing in most medium to smaller municipalities. Appear to be catching up now because of recruiting and training.

CONCERN

- Are the municipalities delivering the program in a cost-effective manner?
- Are OHRP recipients voluntarily participating in the program?
- Are OHRP loans, in effect, being concentrated outside of NIP areas and causing white painting in those areas?
- Is the program affecting market values of the rehabbed units and surrounding ones?
- Are OHRP's more generous funding provisions reducing the applications to RRAP of RRAP eligible persons?
- Is OHRP's piggybacking feature increasing RRAP recipients?

COMMENT

- Some concern expressed that actual OHRP administrative costs exceed allocation, but not a major problem.
- Generally, yes. Except for 3 municipalities with nominal form of active enforcement, remainder enforce on complaint, request only. See objective #4.
- OHRP definitely excluded from NIP areas in most municipalities but no evidence of white painting.
- Real estate agents cite that rehabbed houses certainly increase in market value but probably not more than cost of repairs. Too early to tell if concentration of rehabbing will materially upgrade overall market prices of an area.
- OHRP usually excluded from RRAP areas so no overlap. With recent RRAP changes, some provisions of RRAP more generous than OHRP.
- Little piggybacking took place. With increase in RRAP loan ceiling should be dropped as a concern. See OHRP objective #6.

APPENDIX C

RESIDENT SURVEYS

During June and July 1976 a series of resident surveys were conducted by telephone with possible OHRP recipients in six municipalities:

- Cornwall
- Kenora
- Sarnia
- Sudbury
- Toronto
- Windsor

In all, 232 interviews were completed. In terms of individual municipalities this further breaks down as follows:

	<u>POSSIBLE OHRP RECIPIENTS</u>
Cornwall	50
Kenora	5
Sarnia	32
Sudbury	51
Toronto	44
Windsor	50

The number of interviews in a given municipality was governed by the availability of OHRP respondents. For example, because the program was only recently initiated in Kenora, there were very few successful OHRP applicants. Further, some applicants in the municipalities were unsuccessful in their loan attempts and were not asked the rehab section of the questionnaire.

OHRP respondents were picked on a random basis from OHRP application forms and were supplemented with households know to be in bad repair. The selection of these sub-standard homes was done at random by a municipal official of each community.

The tabulated results of these interviews are included on the following pages. It should be noted that because not all questions apply to all respondents the bases for the tables vary and hence when making comparisons some tables require greater differences than others if sampling tolerance theory is to be applied. As an aid to this, a sampling tolerance table is included below. As the table indicates tolerances vary with the size of the sample and the size of the percentage results.

Size of Sample	<u>Percentage Results</u>				
	<u>10%</u> <u>or 90%</u>	<u>20%</u> <u>or 80%</u>	<u>30%</u> <u>or 70%</u>	<u>40%</u> <u>or 60%</u>	<u>50%</u>
400	4%	5%	6%	6%	6%
350	4	5	6	7	7
300	4	6	6	7	7
250	5	6	7	8	8
200	5	7	8	8	9
150	6	8	9	10	10
100	7	10	11	12	12
50	9	13	15	16	16

These sampling tolerances are estimated at the 95 in 100 confidence level and variance is \pm . Hence, since 37% of successful OHRP applicants say the provincial government made the assistance available to them, and 170 respondents answered the question, the variance is approximately \pm 10% or from 27 to 47%.

TOTAL OHRP AREAS

HOME IMPROVEMENT PROGRAMMES

Awareness and Involvement

First of all, do you own the home you are presently living in or do you rent it?

	<u>% of Total</u>
Own	99
Rent	1

Note: Interview was discontinued with renters

Base: 232

Have you heard of any government programs that enable people to fix up their own homes?

	<u>% of Owners</u>
Yes	92
No	7
N/A	1

Base: 229

These programs provide assistance to qualified home owners. Have you had occasion to apply in the last year or two to any of these programs?

	<u>% of Owners</u>
Yes	84
No	15
N/A	0

Base: 229

Those Who Applied
To A Programme

To which programme did you apply?
% of Appliers

RRAP	4
OHRP	23
Other	42
N/A	31

Note: In Windsor - Some respondents called it
Windsor Coalition and City
In Sudbury - Sudbury Regional
In Sarnia - NIP
In Toronto - Development Office - City Hall

Base: 193

If 'other' (including N/A) to above:

Did you apply to the Residential Rehab Assistance
Program (RRAP), or through the Ontario Home Renewal
Program (OHRP)?

	<u>% of Others</u>
RRAP	4
OHRP	28
Other	41
N/A	27

Base: 140

Did you receive the assistance you applied for?
% of Appliers

Yes	89
No	4
N/A	7

Note: N/A have not received final confirmation -
either way

Base: 193

If 'no' (including N/A), to above:

Do you think you will make these repairs on your
own?

	<u>No. of Mentions</u>
Yes	5
No	8
N/A	9

Note: Responses not percentaged because of
extremely small numbers

Base: 22

Those Who Did Not
Apply To A Programme

Have you made any major repairs to your home in the
last year or two?

	<u>% of Non-Apppliers</u>
Yes	47
No	50
N/A	3

Base: 36

Do you think you might apply to these programs in the
next two or three years?

	<u>% of Non-Apppliers</u>
Yes	28
No	58
N/A	14

Base: 36

Do you think you would make any major improvements
to your home in the next two or three years on your
own? That is without government aid?

	<u>% of Non-Apppliers</u>
Yes	11
No	72
N/A	17

Base: 36

Note: In this section, small base less than 50

Those Who Participated
In The Programme

What level of government made this assistance
available to you?

	<u>% of Participants</u>
Federal	8
Provincial	37
Municipal	50
N/A	22

Note: Some respondents gave more than one
answer

Base: 170

Have you ever made similar repairs to your home in
the past, without government aid?

	<u>% of Participants</u>
Yes	51
No	48
N/A	1

Base: 170

If you hadn't been able to obtain government assistance
for your repairs, would you have made your repairs on
your own?

	<u>% of Participants</u>
Yes	26
No	69
N/A	4

Base: 170

Have the required repairs, that the assistance was
given for, been completed?

	<u>% of Participants</u>
Yes	81
No	19
N/A	-

Note: Less than 9% of respondents registered
dissatisfaction with completed repairs

Base: 170

DEMOGRAPHICS

	RENTERS	APPLIERS			NON- APPLIERS
		Parti- cipants	Non Parti- cipants	Being Processed	
AGE:	%	%	%	%	%
Under 18 yrs.	0	0	0	0	0
18-24 yrs.	0	1	0	0	3
25-34 yrs.	0	12	13	14	8
35-44 yrs.	67	14	25	7	11
45-54 yrs.	0	19	50	29	22
55+ yrs.	33	54	13	50	53
Refused	0	0	0	0	3
FAMILY SIZE:	%	%	%	%	%
1	0	19	12	14	14
2	0	31	13	36	25
3	33	18	12	7	25
4	33	14	13	21	17
5	0	13	0	0	6
6+	33	6	50	21	14
TIME IN NEIGHBOURHOOD:	%	%	%	%	%
Less than 1 yr.	33	1	0	0	0
1-3 yrs.	0	9	25	14	8
3-5 yrs.	33	7	0	0	3
Over 5 yrs.	33	82	62	86	83
Refused	0	1	13	0	6
INCOME:	%	%	%	%	%
Under \$12,500	67	80	37	86	61
Over \$12,500	0	9	50	0	22
Refused	33	11	13	14	17
SEX:	%	%	%	%	%
Male	0	25	13	29	31
Female	100	75	87	71	69

Note: All but participants extremely small base

Base: 3 170 8 14 36

